

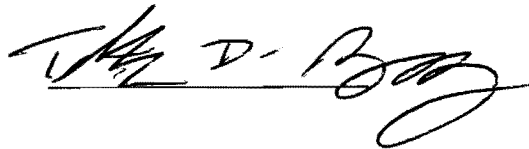
“Amid Ideology and Political Reality”:
The Reagan Administration’s Welfare Reform Experience

An Honors Thesis (HONRS 499)

By

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Abstract

In light of Ronald Reagan's recent death, a debate has ensued over the former President's legacy. As his attempt at drastic welfare reform has been placed in historical context, Reagan has been widely viewed as instrumental in dismantling the vast welfare system constructed during Lyndon Johnson's "Great Society" programs. However, his critics suggest this policymaking was insensitive to the urban poor in this country. Most recent scholars now insist that, despite early legislative victories, Reagan's attack on the welfare state was grossly exaggerated. His attitude and ideological approach toward social welfare policy could accurately be described as frank and fundamentally unchanged during his three decades as a political figure, but his political application of these principles shifted significantly over the course of his two-term Presidency.

This research will demonstrate how and why this shift in policy occurred, as well as why the shift was politically and socially necessary. By first analyzing the evolution of Reagan's welfare rhetoric and ideology, one can better understand the approach he used throughout his two terms as President. This institutional experience illustrates how the administration's maturing approach to social welfare policy plainly reflects the realities of the American political process at the Federal level. Specifically, the system forced Reagan's virulent ideology to be tempered and eventually compromised by circumstance and pragmatism. As a result, Reagan's "revolution" of social welfare programs did not actually occur. Congressional attitudes and the advice of his appointed staff perpetuated a departure from ideological grounds, forcing Reagan to rethink the practicality of such rigid doctrine.

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Although Ronald Reagan's attitude and ideological approach toward social welfare policy could accurately be described as frank and fundamentally unchanged during his three decades as a political figure, his political application of these principles shifted significantly over the course of his two-term Presidency. Importing this ideology into the policymaking of his first term, this approach aimed at significantly limiting the welfare state and was met with almost unanimous initial approval in Washington. Aided by the circumstances of the early eighties, Reagan enacted and passed legislative measures that aimed at significantly altering the welfare state he inherited from his White House predecessors. Before the byproducts of recession (unemployment, inflation, stagnant wages, etc.) materialized in 1982, Reagan wielded his executive influence with unprecedented ease. Reminding Americans of the economic ills and policy mistakes of the 1970s, Reagan asserted that a "revolution" must occur. "In this present crisis, government is not the solution to our problem," Reagan argued, "Government *is* the problem."¹ This claim contrasted sharply with notions of Lyndon Johnson's "Great Society," as well as the legacy of the New Deal. For social welfare, this proposed change meant that the federal government could no longer exercise such comprehensive power in protecting the interests of America's poor. According to Reagan, Johnson's "War on Poverty" was over, and so was the belief that "...society [had] become too complex to be managed by self-rule."² Loosening the chains of the federal government and its liberal tax burdens, Reagan ventured to create an unfettered economic and social structure that would rely on an old-fashioned American ethos.

¹ Ronald Reagan, *Ronald Reagan Talks to America*, ed. Richard Mellon (Old Greenwich, Conn.: Devin Adair, 1983), 194. ["The Inaugural Address," delivered January 20, 1981]

² Ibid.

To supporters and recipients of social welfare programs, this transfer in policy by the Reagan administration suggested that a penetrating, acrimonious ambush was on the horizon. Insisting on its wastefulness and the perception that it undermined American work ethic and individualism, the welfare state seemed primed for a Reagan dismantling. Although the recently elected President assured Americans that "...no one single group [would be] singled out to pay a higher price," most liberal politicians assumed his attack on welfare would disproportionately harm the urban poor.³ Immediately, Reagan set out to utilize his newly Republican Senate and a House of Representatives largely sympathetic to Reagan's efforts to initiate rapid and broad reform. Any claim that Reagan presided over a "revolution", however, should rest heavily on the reforms of this first year when he built a supportive coalition of politicians in the 97th Congress of 1981 and 1982. His staunch ideology and the perceived public mandate of the 1980 election would eventually come to a screeching halt late in his first term though. Reagan did little to reconcile these circumstances until staff changes and congressional pressure forced a shift in policy, as well as a change in his public promises. Reagan's resistance in offering up appropriate concessions that inherently opposed his ideology is manifest in the policy-making of this tumultuous first term. The second term, rife with new staff selections within Reagan's inner circle, was plagued by a split in the Republican Party between the moderates and the hardliners, resulting in a shift of Congressional power. Consequently, Reagan's rhetoric and political promises concerning the welfare state became less fervent. Understanding that modest advances toward his agenda might still be made, Reagan abandoned devoted ideology in favor of more pragmatic politics.

³ Reagan, *Ronald Reagan Talks to America*, 195.

When most politicians and Washington insiders of the eighties referred to social welfare programs, they referred specifically to cash assistance programs that provided cash grants to families or individuals who met certain income requirements. During the Reagan administration, this assistance came primarily from the federal agency known as Aid to Families with Dependent Children (AFDC), which afforded cash support to low-income families with children. This description of “welfare,” from a conservative point of view, also included the in-kind benefits that could grant services or exemptions which allowed the recipients to achieve a standard of living on par with guaranteed American rights. These in-kind benefits included programs pertaining to medical care (in this case, Medicaid), housing, job training, and vouchers for purchases, such as food stamps. Even though programs like Social Security, Medicare, and Unemployment Compensation likely belonged under the umbrella of social welfare agencies, an important implied distinction between the two sets of programs became apparent during Reagan’s two terms as President. While the former group of programs distinguished between poor and non-poor recipients, the latter group did not. This distinction, while clear among most politicians, became clearer as the eighties wore on and Reagan’s policy propositions commonly reflected this key characteristic.

This research will demonstrate how and why this shift in policy occurred, as well as why the shift was politically and socially necessary. By first analyzing the evolution of Reagan’s welfare rhetoric and ideology, one can understand the approach Reagan carried throughout his two terms as President. Reagan’s subsequent “attack” on the welfare state during his Presidency illustrates how the administration’s maturing, and politically necessary, approach to social welfare policy plainly reflected the realities of

the American political process at the Federal level. Simply put, the checks and balances placed upon Reagan during “normal politics” prevented his implementation of radical ideas. The system forced Reagan’s virulent ideology to be tempered and eventually compromised by circumstance and pragmatism. As a result, Reagan’s “revolution” of social welfare programs did not actually occur. Congressional attitudes and the advice of his appointed staff perpetuated a departure from these ideological grounds, which then forced Reagan to rethink the practicality of such rigid doctrine.

Reagan’s Ideology and Rhetoric

The Evolution of Reagan’s Approach to Social Welfare (up to 1980)

Born in 1911, in an Illinois farming community, Reagan spent his twenties struggling through the economic catastrophe of the Great Depression. A Protestant work ethic was instilled early in his life and since he achieved success by following this model, he believed America should provide its citizens with a system that fostered individual productivity. Franklin Roosevelt, who Reagan greatly admired throughout his career,⁴ presided over the implementation of the largest governmental powers exercised by a twentieth century president. Although Reagan supported Roosevelt at the time and watched the New Deal President relentlessly attack poverty and inequality, he surprisingly carried little of this philosophy into his own political career.

As his prolific acting career began to wind down after World War II, Reagan assumed control of the Screen Actor’s Guild (SAG) Presidency, holding the position for five years (1947-1952). This marked Reagan’s first *de facto* foray into politics, and the budding politician embraced the role wholeheartedly. Fortunately for Reagan’s

⁴ Lou Cannon, *President Reagan: The Role of a Lifetime* (New York: Public Affairs, 2000), 152.

aspirations, his reign as SAG President coincided with the congressional investigations of communism in Hollywood. Reagan responded by turning the SAG into a political instrument, capable of even challenging the Communist menace.⁵ Beginning in 1954, as a corollary to his job as host of the popular “General Electric Theatre,” Reagan toured GE plants across the nation, praising the company as the very embodiment of American enterprise and entrepreneurial spirit.⁶ Giving hundreds of speeches over the next eight years, Reagan began to develop a political persona framed by a new ideological foundation. As he became more comfortable with his oratory skills, Reagan shifted from company sycophant to America’s crusader, warning his audiences of the nation’s twin dangers: communism abroad and welfare statism at home.⁷

In 1964, Reagan would enter the electoral arena for the first time as an advocate for Barry Goldwater’s presidential campaign. While delivering a paid televised speech on Goldwater’s behalf, Reagan delivered a now famous speech, dubbed “A Time for a Choosing.” In the speech he articulated many of the concepts that would be embraced and adopted by individualist conservatives of the New Right almost a decade later. During the televised dialogue, he condemned big-government politicians like Lyndon Johnson, “Who can’t see a fat man standing beside a thin one without automatically coming to the conclusion the fat man got that way by taking advantage of the thin one.” He went on to even question those in Johnson’s camp, but specifically, he went after the television personality Howard K. Smith, who had written, “The profit motive is

⁵ Garry Wills, *Reagan’s America: Innocents at Home* (Garden City, NY: Doubleday, 1987), 248-249.

⁶ Michael Weiler, ed., *Reagan and Public Discourse in America* (Tuscaloosa: University of Alabama Press, 1992), 230.

⁷ Anne Edwards, *Early Reagan* (New York: Morrow, 1987), 453-57.

outmoded. It must be replaced by the incentives of the welfare state.”⁸ To Reagan, the federal government’s *carte blanche* in implementing expansive federal programs had been driven wildly out of control. Unfortunately, the American public did not yet concur with Reagan’s contention and Johnson won the election handily. Nevertheless, the televised speech marked Reagan’s first public, targeted attack on the welfare state. He even specifically mentioned the inefficiency of the Aid to Dependent Children Program (the precursor to AFDC), citing this story that a Los Angeles judge had relayed to him:

A fairly young woman with six children, pregnant with her seventh, came to him [the judge] for a divorce. Under his questioning it became apparent her husband did not share this desire. Then the whole story came out. Her husband was a laborer earning \$250 a month. By divorcing him she could get an \$80 raise. She was eligible for \$350 a month from the Aid to Dependent Children Program. She had been talked into divorce by two friends who had already done this very thing.⁹

Appearing eerily similar to the tales of the “Chicago Welfare Queen” he would evoke later in his political career, Reagan found the welfare system to be endemic with fraudulent abuse and bureaucratic blunders.

The California gubernatorial races of 1966 and 1970 and his subsequent victories in the campaigns, presented Reagan with a suitable, politically prominent platform on which he could increase his visibility and polish his ideological rhetoric. Moreover, as a Republican Presidential nominee in 1968 and 1976, Reagan continually attacked the Johnson-inspired welfare system. Yet, it was his role as Governor of California that would establish Reagan as a hardliner on matters of social welfare. Referring to welfare as the biggest single outlay of public funds at the federal, state, and local levels of government, Reagan sought to fundamentally alter the California’s existing plan. Unfortunately, Reagan likely faced a concession-laden compromise with the Democrat-

⁸ Reagan, *Ronald Reagan Talks to America*, 4. [“A Time for Choosing,” delivered October 27, 1964]

⁹ *Ibid.*, 8-9.

controlled California Assembly if he wanted his welfare reform bill to pass. Despite this considerable infighting, the California legislature enacted a rather drastic welfare reform. The resulting law, and the process which the attempted reform brought about, were widely regarded as successes.¹⁰ In wake of the bill's passage in 1971, Reagan brashly suggested, "We have demonstrated in California that a responsible approach to reform of the present welfare system is possible and that given tools, discretion, and adequate financial assistance states and counties are in the best position to provide a welfare system."¹¹ His experiences in proposing and enacting this bill would have a conspicuously permanent impact on Reagan's ideological commitment to a welfare state predicated by state and locally run administrators.

Both of the aforementioned Presidential campaigns reflected what he had become as well. Combining a denunciation of the withering conservative attack on welfare with allegations of the increasing inefficiency in the programs themselves, Reagan's assault gained considerable authority. The commonly held perception that the "War on Poverty" failed also constituted a method through which Reagan could subvert and question the Democratic Party's policymaking. His 1976 campaign was somewhat muffled though, due to the simple fact that he ran for the nomination against a Republican incumbent. By 1980, however, the political soil proved much more fertile. Drastic, plummeting economic conditions existed, and a politically prone Democrat occupied the Oval Office. The attack on welfare he would launch and pronounce during his 1980 campaign was not novel,¹² but his adroit combination of populist ideals with American mythology and

¹⁰ Edwin C. Meese III, *With Reagan: The Inside Story* (Washington D.C.: Regnery Publishing, 1992), 36.

¹¹ Reagan, *Reagan Talks to America*, 114. ["On Welfare Reform," delivered in 1972]

¹² "Attacks on the welfare state have been a staple of conservative rhetoric since the inception of Roosevelt's New Deal," Weiler, *Reagan and Public Discourse in America*, 230.

individualist conservatism created a foundation for an effective and influential ideology that could be embraced by a new generation of Conservatives.

Reagan's Presidential Welfare Ideology

Ronald Reagan's appeal to mainstream America during the eighties was obvious. He understood the importance of flattery in public discourse, and he took every opportunity to make his constituency feel like integral cogs in the American machine. "We have always reached for a new spirit and aimed at a higher goal," Reagan implored in the first joint session speech since the March 1981 assassination attempt, "We have been courageous and determined, unafraid and bold... And that is what makes us, as Americans, different."¹³ He made voters feel wise, politically significant, and part of a global American movement. His careful discourse was a revealing example of how traditional conservative arguments can potently associate with populism and Protestant values. This appeal allowed Reagan to play a unique and considerable role in the attack on social welfare in his first term. From where did this ideology derive? What provided it with economic legitimization, and what provided it with socially acceptable justification? It deserves mention, however, that without the economic conditions of the 1970s, this adroit combination of the following ideologies would likely have found a much less responsive audience.

Populism as a discourse essentially refers to a set of appeals within the framework of a single premise: the popular will is the source of any legitimate exercise of power, political or otherwise. Consequently, populism can be summoned by any number of ideologies and political platforms. Reagan's brand of populism could accurately be

¹³ Reagan, *Reagan Talks to America*, 208. ["A Program for Economic Recovery," delivered April 27, 1981]

portrayed as of a “universalist” slant. This angle meant that he could join a populist leadership front capable of speaking on behalf of a vaguely defined majority. Drenching his populism under the auspices of the “New Right,” his message was directed at all Americans, minus the liberal elite which had “oppressed” the American public for almost two decades. Reagan would serve as the spokesman for a generation of Americans fed up with government mismanagement. Yet, implicitly, his discourse contained an element of partisanship. By directing public ire toward the governmental bureaucracy, Reagan could exacerbate conflicts between the middle-class and the poor. As beneficiary agents of the government’s lavish spending, “poor people were, at least by implication, as much parties to the usurpation of popular (middle-class) power as were their bureaucratic overseers.”¹⁴ From Reagan’s Inaugural Address we can see this opinion emerging, especially when he sardonically cries, “We hear much of special interest groups. Our concern must be for a special interest group far too long neglected... They are this breed called Americans.”¹⁵ Obviously, there are two sets of “people” in this political allegory: those represented by the special interest groups, and those represented by Reagan. Reagan’s “people” are the working, middle-class fabric of America, while the special interest groups are unjustly cradling the lower classes.

Another ubiquitous theme in Reagan rhetoric is one employed by almost every politician, though Reagan’s usage was particularly astute. Michael Weiler, a public communications researcher, declared this approach as one underlined by ‘American mythology.’ Claiming that Reagan’s version of United States history falls within mainstream America’s parameters, Weiler maintains that Reagan encouraged Americans

¹⁴ Ronald Lee, “The New Populist Campaign for Economic Democracy: A Rhetorical Explanation,” *Quarterly Journal of Speech* 61 (1976): 274-89.

¹⁵ Reagan, *Ronald Reagan Talks to America*, 194. [“The Inaugural Address, delivered January 20, 1981]

to construct their past as a “dual record of economic individualism and social volunteerism.”¹⁶ This approach might be unoriginal, but his charismatic nature and proficiency at public speaking made its presentation especially convincing. The economic individualism he refers to runs parallel to the rhetorical weight carried by concepts of entrepreneurialism. In a 1983 Radio Address, Reagan claimed that “entrepreneurs have always been leaders in America,” while reminding his listeners how, “Their knowledge and contributions have sustained us in wartime, brought us out of recessions, carried our astronauts to the Moon, and led American industry to new frontiers of high technology.”¹⁷ In Reagan’s view of history, this entrepreneurial courage upheld American economic and technological progress. However, Reagan insisted Americans were not merely profit seekers. They concerned themselves with the well-being of their neighbors too, and in a 1981 speech, Reagan addressed a business alliance by saying, “Over our history, Americans have always extended their hands in gestures of assistance... They took for granted neighbor would care for neighbor.”¹⁸ Voluntary, nongovernmental agencies were best suited for poor relief, and furthermore, it allowed Americans to respond to their own inner call to service.

The public sentiment held by many Americans in the eighties meshed nicely with the images of social welfare conveyed by the Reagan administration. Using individualist conservatism as his ultimate guide, Reagan personified this approach by describing average Americans as possessing “the rugged individualism of the self-sufficient

¹⁶ Weiler, *Reagan and Public Discourse in America*, 237.

¹⁷ Fred L. Israel, ed., *Ronald Reagan’s Weekly Radio Addresses: The President Speaks to America* (Wilmington, DE: Scholarly Resources, 1987), 103.

¹⁸ *Ronald Reagan: 1981, Public Papers of the Presidents of the United States* (Washington D.C.: U.S. Government Printing Office, 1982), 883.

pioneer.”¹⁹ On broad economic issues, it required that individual citizens remain true to some inherent and natural tendencies. These tendencies included a self-centered approach to personal decision-making, an economically competitive personality, and a trust in the free market structure. This kind of society is only possible if several conditions are first met. Namely, it asks for the existence of a truly free market that permits voluntary exchanges among mutually benefiting individuals. The economic system must also mitigate the prevalence of any coercion upon the individual, but particularly the system needs to limit government interference and subjugation.²⁰ This relies on the notion that individuals are ultimately responsible for their own social condition. By regulating business or unequivocally aiding certain social groups, the government can only harm those it is trying to assist. Therefore, the welfare system merely perpetuates the poverty stricken world it hopes to eliminate. As a rather practical concession, most individualist-conservatives would allow for some government influence in social programs, but only to augment the existing philanthropic efforts of private charities and churches. As Reagan insisted in 1981, “The private sector still offers creative, less expensive, and more efficient alternatives to solving our social problems.”²¹ This persistence on privatizing poor relief would remain a constant counterpoint and refrain in response to claims Reagan was discriminating against those urban poor adversely affected by his possible budget cuts.

To build the coalition of Washington support necessary to launch a Reagan-like attack on welfare, the President would have to discover ways to characterize social

¹⁹ Donald Tomaskovic-Devey, ed., *Poverty and Social Welfare in the United States* (Boulder: Westview Press, 1988), 223.

²⁰ Kenneth M. Dolbeare, *American Ideologies: The Competing Political Beliefs of the 1970s* (Chicago: Rand McNally, 1976), 58.

²¹ *Ronald Reagan: 1981, Public Papers of the Presidents of the United States*, 882.

welfare and its recipients in such a way that his critics could not decry the uncharitable nature of many of the reforms. Much of the welfare terminology enlisted by Reagan was developed during his time as Governor of California, fighting that state's welfare system. Phrases like *welfare mess*, *culture of poverty*, *truly needy*, *workfare*, *welfare dependency*, and *welfare bureaucracy*, all became commonplace in Reagan's speeches. This cautious approach to semantics allowed Reagan to sell the huge welfare budget cuts to the American public and to his Congressional counterparts. In a 1976 stump speech for the Presidential nomination, Reagan introduced America to what California already "knew" existed. "A few years ago in California, we were faced with the kind of "welfare mess" we are still faced with in Washington," Reagan argued, "For four years we tried to halt the runaway increase in caseload and cost but nothing seemed to work."²² The welfare state was wasteful and inefficient according to leading conservatives, and Reagan believed he knew just the steps necessary to solve poverty without expanding this "mess."

In order to imply that certain welfare recipients did not deserve or even require federal assistance, Reagan needed to insist that there were different categories of recipients. One group abused the "welfare bureaucracy," while the other constituted the "truly needy." This restrictive definition of those who should receive cash and in-kind benefits was best articulated in another Reagan radio address in February 1983. "[We are] far from trying to destroy what is best in our system of humane, free government, we're doing everything we can to save it by...pruning non-essential programs," he reasoned, "This way enough resources will be left to meet the requirements of the *truly*

²² Ronald Reagan, *Reagan, in His Own Hand: The Writings of Ronald Reagan That Reveal His Revolutionary Vision for America*, eds. Kiron Skinner, Annelise Anderson, and Martin Anderson (New York: Free Press, 2001), 458. ["Stump Speech Insert," delivered May 12, 1976]

needy, and we will meet the challenge of fairness.”²³ In keeping with this notion of the “truly needy,” the Reagan administration disputed the accepted definition of poverty popular with his more liberal contemporaries. Reagan’s staff would allege that if in-kind benefits (in addition to plain cash aid) were accurately calculated into poverty designation equations, the resulting definition of poverty would be much more accurate and applicable. Essentially, the new designation would result in a reduction in the numbers of Americans living in actual poverty.²⁴ Reagan’s reluctance to abandon the “truly needy” might be seen as a product of his New Deal fascination and admiration, but more likely, it was the result of political posturing.

Reagan also placed a strong emphasis on cultural factors as a central cause of poverty. Conscientiously dubbed the “culture of poverty,” Reagan felt the poor exhibited values contrary to middle-class ethics regarding family and work behavior. This perception included the contention that the poor placed a low value on the institutions of marriage and family. Moreover, the poor were unable to delay gratification, reluctant to hold high aspirations, and tended to be inclined toward fatalism.²⁵ With these traits featured prominently in their decision-making, the poor could not escape their poverty; a condition only perpetuated by their own deviant values. This “culture of poverty” not only continually hurts the lower-classes, but Reagan would argue it undermines his economic and social platform. Reagan hoped to “promote family stability by imposing a norm that a man living with a mother and her children had an obligation to support [the

²³ Tomaskovic-Devey, ed., *Poverty and Social Welfare in the United States*, 225-226.

²⁴ A holdover argument from his pre-Presidential days when Reagan would cite how the CBO’s declared poverty used only cash income to determine eligibility, not factoring in the growing levels of non-cash, or in-kind, benefits that proliferated the landscape. Reagan, *Reagan, In His Own Hand*, 392. [“Poverty,” delivered January 19, 1977]

²⁵ Tomaskovic-Devey, ed., *Poverty and Social Welfare in the United States*, 226.

family],” and made it clear that welfare undermines this stable family system by encouraging females to have more children and displace the father figure in order to receive federal aid.²⁶ In slight contradiction, Reagan would also discredit and abandon the liberal insistence on “workfare,” or specifically, the notion that recipients must provide proof of current employment in order to obtain continued federal support. In 1981, broad change to AFDC was enacted that reflected this modification (though the changes were later scaled back). For example, after the first four months of employment, all the net earnings of an AFDC receiver would be deducted from the benefit package (prior to ’81, 67% was seized).²⁷ To reconcile this tacit hypocrisy, the administration could only insist that they were simply assuring that the work ethic norm mentioned previously was imposed.

Lastly, Reagan would find it necessary to advertise the welfare state as a promoter of “welfare dependency,” a fact predicated only by the inefficiency and fiscal irresponsibility of the leviathan “welfare bureaucracy.” As late as 1986, Reagan continued to integrate “welfare dependency” into his rhetoric, including that year’s State of the Union Address. “In the welfare culture, the breakdown of the family, the most basic support system, has reached crisis proportions... in female and child poverty, child abandonment, horrible crimes and deteriorating schools,” Reagan said. The attack on welfare had already been countered by compromising Congressional leaders and moderates within his staff, but he continued the ideological war. He would wonder during the speech how, “After hundreds of billions of dollars in poverty programs, the

²⁶ Nathan Glazer, “The Social Policy of the Reagan Administration: A Review,” *Public Interest* 75 (1984): 87.

²⁷ *Ibid.*, 90.

plight of the poor grows more painful.”²⁸ The result of the welfare state had been, Reagan would contend, a cycle of dependency on public handouts. The welfare system mitigates and competes with the low-wage earnings of the male head of household, often resulting in broken homes.

Nevertheless, Reagan was most distraught by the prevalence of welfare fraud, which had only become possible because of the “welfare bureaucracy’s” inadequacies. The expansion of the welfare system over the last decade had led to a swift escalation in the sheer number of agencies and government employees assigned to administer this task. It is not shocking to a conservative to discover that welfare fraud occurs, for they feel that this bureaucratic structure fosters and encourages dishonesty on the part of poor.²⁹ Many of Reagan’s favorite, most poignant anecdotes were akin to this perception. After meeting a lawyer during his days as California’s governor, Reagan proudly narrated her tale as a prosecutor in the National Welfare Fraud Association. He would tell his audience, “In just two years she has filed charges against 350 suspected welfare cheaters and has a near perfect record of convictions.” He would even paraphrase the lawyer’s own words, stating, “She says, ‘the cheating is so blatant I could hardly believe it.’ And she described the cheaters as ‘leeches who drink up the resources of those who need welfare assistance.’”³⁰ The famous Chicago welfare queen, who used “80 names, 30 addresses, and 15 telephone numbers” to collect “her tax free cash income [of] \$150,000 a year,” eventually would become his most oft-cited welfare fraud story throughout his presidential campaigns though (despite claims that she was a mere figment of Reagan’s

²⁸ Both quotes taken from his February 8, 1986 “State of the Union Address,” transcribed on the website http://wikisource.org/wiki/Ronald_Reagan's_Fifth_State_of_the_Union_Speech.

²⁹ Mark Green and Gail McCoy, ed., *There He Goes Again: Ronald Reagan's Reign of Error* (New York: Pantheon Books, 1983), 85.

³⁰ Reagan, *Reagan, in His Own Hand*, 391. [“Welfare,” delivered on December 22, 1976]

imagination).³¹ To stop this “unconscionable administrative overhead,” Reagan hoped the federal government would defer to private charities, which would be less likely to succumb to fraudulent efforts.³²

Reagan’s liberal opponents took exception to several of these ideological and statistical “certainties,” regarding the welfare state as not quite the budgetary disaster the conservatives suggested it was. First, they argued that some social programs had met their objectives. Namely, diminished poverty amongst the aged probably “constituted the crowing achievement of modern social policy.”³³ Reagan’s critics also took measures against the belief that waste and fraud existed within these social programs. Seeing it as a non-issue, they made the case that transfer-payment programs common in the welfare state typically involved the disbursement of checks, and actually have low overhead costs and small bureaucracies. Lastly, it seemed to some that Reagan was turning his back on the underclass, even advocating rollbacks which would disproportionately hurt African-Americans.³⁴

Reagan & Actual Welfare Reform

The First Term: From Coalition to Reluctant Retreat

As illustrated by the previous section, Reagan fostered a virulent, yet appealing, approach to welfare reform and the scaling back of its budgetary predominance. How severely could Reagan realistically cut back the welfare system? After his landslide victory over incumbent President Jimmy Carter, Reagan remained optimistic. His own

³¹ Reagan, *Reagan, in His Own Hand*, 459. [“Stump Speech Insert,” delivered January 22, 1976]

³² Reagan, *Reagan, in His Own Hand*, 393. [“Poverty,” delivered January 19, 1977]

³³ John Karaagac, *Between Promise and Policy: Ronald Reagan and Conservative Reformism* (Lanham, MD: Lexington Books, 2000), 133.

³⁴ *Ibid.*, 134.

Republican Party controlled the Senate, and defenders of the welfare state in Washington were on the run. Oftentimes, policy change in the United States is incremental, but Reagan sought to oversee a policy shift that would indeed break with the past.³⁵ This significant transfer in policymaking needed the support of those newly elected Congressman, but it would also require conversion of the continuing members.

To effectively propose legislation, Reagan needed to place his Office of Management and Budget on a new level of prominence. Cognizant of the promises made during his election campaign, Reagan understood that his economic program would be crucial in helping Americans believe in his ideological and political theories. Seeking to emphasize OMB's predetermined importance, its recently appointed leader, David Stockman, was made an official member of Reagan's cabinet. Though Stockman would later write a scathing critique of the Reagan administration in 1986, most insiders reluctantly suggested that he headed "The most talented team to ever head the budget office," and as Reagan's chief domestic policy advisor, Martin Anderson, said, "They [Stockman's team] provided a level of leadership and policy guidance that was unrivaled in OMB's history."³⁶ Combined with input from domestic advisors like Anderson, Jim Baker, and Richard Darman, OMB would preside over and craft the budgetary cuts prominently featured in Reagan's flagship 1981 economic program, the Omnibus Reconciliation Act (OBRA).

Despite Democratic control of the House of Representatives, Congress was overwhelmed by the consequences of Reagan's landslide election, during which a pro-change policy mandate surfaced. During the Carter Presidency, conservatives, in spite of

³⁵ Barbara Sinclair, "Agenda Control and Policy Success: Ronald Reagan and the 97th House," *Legislative Studies Quarterly* 10, No. 3 (Aug. 1985): 291.

³⁶ Martin Anderson, *Revolution* (San Diego: Harcourt Brace Jovanovich, 1988), 248.

their numerical inferiority at the time, had already begun to “dominate political debate on economic policy,” and naturally, Reagan’s ascendancy emboldened them and was viewed as a “ringing endorsement of conservative economic views.”³⁷ Distrust in the government’s ability to direct suitable aid programs grew, and in a 1980 election poll, it was revealed that 73% of Americans distrusted the federal government, compared to only 22% as recently as 1964.³⁸ Subsequently, Democrats in Congress recognized that a shift within their party’s doctrine might serve their best interests. According to Tip O’Neill, the Democratic majority leader in the House, “The Democrats were demoralized, discredited, and broke.”³⁹ Fellow Democratic Representative, Carl Perkins (Ky.), was reported in the *New York Times* as worrying, “I’ve worked for years for the welfare of the people, and now I’m seeing practically everything dismantled.”⁴⁰ The House Democrats’ lack of alternative proposals to Reagan’s policy indicates just how far Reagan dominated this economic debate. Since the public had already linked inflation with federally-funded social spending, Democrats hesitantly facilitated the enacting of legislation remarkably similar to Reagan’s plan. Even O’Neill, who claimed he was not a member of this tentative coalition, understood “that if the Democrats were perceived as stalling in the midst of a national economic crisis, there would be hell to pay in the midterm elections.”⁴¹ The economic hardliners who wholly embraced elements of Reagan’s individualist conservatism (Anderson, Stockman, and Reagan’s longtime confidant, Edwin Meese III, among others) served at the vanguard for these cuts.

³⁷ Sinclair, “Agenda Control and Policy Success: Ronald Reagan and the 197th House,” 293.

³⁸ Seymour Lipset, *The Confidence Gap: Business, Labor, and Government in the Public Mind* (Baltimore: Johns Hopkins University Press, 1987), 17.

³⁹ Thomas P. O’Neill, *Man of the House* (London Bodley Head, 1987), 338.

⁴⁰ *New York Times*, May 20, 1981, pp. 22.

⁴¹ O’Neill, *Man of the House*, pp. 344.

Tax cuts in OBRA reduced rates for everyone, but skewed more heavily toward the higher-income taxpayers who would provide the capital necessary for “trickle down” results. By 1984, the net effect of the social program cuts produced modest increases for the broad middle-class, substantial gains for higher-income families, while those with incomes less than \$15,000 who had received benefit packages (AFDC, food stamps, etc.) were “likely to find themselves worse off.”⁴² Governmental spending cuts had been promised by Reagan, but were made largely in response to “short-term economic exigencies and... motivated more by a desire to save money wherever the political resistance was weakest than by an integrated vision for welfare reform.”⁴³ The direct impact on the urban poor was significant. Of the \$250 billion made in cuts, close to 70% of the savings, came from programs openly affecting the poor. According to those same Congressional Budget Office (CBO) reports, “of the 450,000 to 500,000 families with earnings estimated to be receiving AFDC at the time of the [1981 OBRA] changes, about one-half are estimated to have lost their eligibility.”⁴⁴ The administration also cut back the food stamp and work incentive programs. This round of cuts seemed to symbolically mark the point at which “Great Society” spending ceased. As Deputy Chief of Staff Richard Darman said, OBRA constituted “the largest single spending control bill and the largest single tax reduction bill in the history of the American republic.”⁴⁵ Reagan had successfully exercised his considerable Presidential influence to exact the changes his

⁴² John L. Palmer and Isabel V. Sawhill, ed., *The Reagan Experiment: An Examination of Economic and Social Policies under the Reagan Administration* (Washington D.C.: The Urban Institute Press, 1982), 21.

⁴³ W. Elliot Brownlee, ed., *The Reagan Presidency: Pragmatic Conservatism and Its Legacies* (Lawrence: University Press of Kansas, 2003), 211-212.

⁴⁴ Robert Benenson, *America's Needy: Care and Cutbacks* (Washington D.C.: Congressional Quarterly Inc., 1984), 4.

⁴⁵ Richard Darman, *Who's in Control? Polar Politics and the Sensible Center* (New York: Simon & Schuster, 1996), 70.

ideological counterparts, like Stockman and Anderson, regarded as necessary precursors to “revolution.”

However, early hints at internal strife and growing Congressional influence became apparent at the end of this first year. Reagan’s administration had dominated the economic agendas and discourse in Congress during the better part of 1981, forcing “even mainstream Democrats... to support the administration’s specific proposals.”⁴⁶ Yet a return to “normal politics,” which had festered under the shadow of the 1980 Election, cautiously emerged after these initial successes. With midterm elections looming in 1982, some members in Congress found their constituency increasingly concerned over the deepening recession as they became generally opposed to further spending cuts. In late September 1981, Reagan called for additional cuts in fiscal 1982 social spending and those Congressmen up for reelection found it difficult to support such a measure.⁴⁷ Thus, Reagan began to fight against his opponents’ counter-proposals, and even when the administration was on the offensive again, it was not always advocating its preferred policy. Unfortunately, Reagan felt that the perceived mandate would carry on longer into the end of his first term, and farther into the social program restructuring he desired. This proved to be a slightly overconfident feeling, and this approach became politically unwise. Reagan’s more moderate advisors, Jim Baker and Richard Dorman particularly, began to assert more control and dictate policy decisions, all while Democrats in Congress began to launch effective counterattacks when Reagan’s ideological crusade went too far. Even moderate Republicans began to question the longevity of OBRA policies, foreshadowing the split which would occur in Reagan’s

⁴⁶ Sinclair, “Agenda Control and policy Success: Ronald Reagan and 97th House,” 312.

⁴⁷ Ibid., 301.

second term. Democrats first discovered their soon-to-be-adopted argument regarding Reagan's social welfare cuts during the uproar over the USDA's decision to issue new school lunch regulations in the face of OBRA's severe cuts. Declared an issue of "fairness," Democrats attempted to weather this first storm of budgetary assaults by retaliating against this vulnerable target; one that amazingly tried to permit schools to count ketchup as a vegetable.

While Democrats found ways to unite, the increasing deficit, a result of massive buildup and irresponsible tax cuts, assured that many Republicans would become reluctant to accept Reagan's constant attack on social programs and the poor. Republican Representatives who had helped deftly steer OBRA through the Congressional process, lamented the antipoverty impacts of the Reagan administration policies. Moderates like Bob Dole (KS) and Pete Domenici (NM) increasingly realized tax hikes might be the only cure, while even staunch Conservatives like Trent Lott (MS) and Dick Cheney (WY) became "paranoid on the subject of further spending cuts."⁴⁸ This period from the fall of 1981 through the spring of 1982 set the stage for a midterm election in which Republicans lost 26 House seats and came within 50,000 votes of losing five seats in the Senate and control of that chamber. Reagan's attempt to force down the size of the domestic welfare state, until it could be adequately funded with the revenues available after the tax cut, appeared trite in the face of Dole's moral argument on the House floor that "Somebody else is going to have to start taking a hit besides welfare recipients."⁴⁹

⁴⁸ Christopher Howard, *The Hidden Welfare State: Tax Expenditures and Social Policy in the United States* (Princeton: Princeton University Press, 1997), 146. Bennesson, *America's Needy: Care and Cutbacks*, 215.

⁴⁹ David A. Stockman, *The Triumph of Politics: How the Reagan Revolution Failed* (New York: Harper & Row, 1986), 304-305.

Suddenly, with the economic realities of recession coming to the fore in late 1982, Reagan's budget cuts did not seem quite as inevitable and necessary.

Meanwhile, a rift was forming within Reagan's inner circle over the President's proposal to amend the Social Security system in 1981. Intoxicated with the legislative successes of that year, Reagan foolishly embarked on outlining a reform measure that could alienate the wealthier segment of his constituency. Under Stockman's advice, Reagan planned to cut federal spending on Social Security. His campaign pledges, however, had promised to avoid slashing funds allotted to the "truly needy," which included senior citizens receiving Social Security benefits. Furthermore, Social Security was guaranteed to all citizens, not just low-income families who qualified for aid, so this proposal negatively affected middle-class and upper-class families as well. Against the judgment of his White House troika (Baker, Meese, and Deaver), Reagan's plan would cause him to renege on promises he made in the 1980 campaign.

After Reagan realized the realities of his proposed policy, he backed off, but the incident foretold of a future split within his staff. Meese and Anderson were able to compromise with the moderates this time, but Baker and Darman, like a number of other Republicans in the Capital, had "come to realize that the depth and breadth of the tax cut was a mistake."⁵⁰ On the other hand, Stockman still thought preening Social Security could be possible. To the OMB chair, Social Security was a form of "closet socialism."⁵¹ Stockman, an advocate of drastic economic changes at the federal level, believed Reagan could lead a "supply-side" revolution which would remove the federal government from America's free enterprise system. Namely, Stockman felt all government programs,

⁵⁰ Cannon, *President Reagan: The Role of a Lifetime*, 209.

⁵¹ Stockman, *The Triumph of Politics*, 182.

especially social agencies, should gradually be reduced and left under the auspices of the American market. Baker and Darman, meanwhile, were much less responsive to such radical change, hoping that Reagan would simply cut back where spending was the most inefficient. A rift naturally developed between Baker and Stockman over Social Security until Stockman's falling out over his exposé of the Reagan administration in an issue of *Atlantic Monthly*. In the article, Stockman famously referred to supply-side economics as a "Trojan horse" used to cut taxes on the wealthy.⁵² Baker immediately called for Stockman's departure, but Reagan allowed Stockman to stay on while he was slowly phased out of his influential position.

The tentative coalitions formed during the euphoria of Reagan's landslide victory slowly deteriorated as pragmatism replaced ideological application. The first sign of a decisive shift came in the fall of 1982, when Reagan openly supported a \$98.2 billion dollar tax hike. Remarkably, this was just the kind of economic proposal Reagan had pledged to eliminate during his 1980 campaign. Urged on by the fact that defense spending was rising and that the 1982-1983 recession was deeper than Reagan had previously thought, the President felt the hike was necessary and practical. These terms successfully undercut his ideological vision, but Reagan astutely avoided a budgetary crisis by embracing the new tax policy. Presidential advisor Edwin Meese later called this compromise "the Debacle of 1982," and regarded it as, "the greatest domestic error of the Reagan administration," but those words might be tinged with resentment since Meese's influence decline rapidly during this period.⁵³ For Democrats, it was a huge political coup. Reagan's support for the tax hike allowed them to freely associate

⁵² Stockman, *The Triumph of Politics*, Introduction.

⁵³ Meese III, *With Reagan*, 147.

Republicans with tax raises and with failing to keep campaign promises. However, Baker and Darman understood that tax hikes were necessary to squelch the byproducts of recession and to fund government spending in other spheres. Reagan's conciliatory approach during this event foreshadowed the practical policymaking which permeated throughout the second term.

Despite Reagan's evolving legislative approach to welfare and federal spending, the first term still included some foolish political mistakes. The passage of the aforementioned tax bill had coincided with the emergence of a precarious political issue: hunger. Serving as a manifestation of the recession-caused hardship and insecurity facing urban America, hunger represented a new political battleground. With stories of extreme unemployment and food shortages in cities like Detroit and Newark, emergency food aid became a national emergency as congressional subcommittees launched high-profile investigations into the issue.⁵⁴ Strangely enough, when faced with public scrutiny and intolerance, the Reagan administration was occasionally too bold. Reagan insisted that federal food and nutrition programs had not been reduced and that food stamps were available. To Reagan, it seemed only mismanagement and fraud should be blamed. Less prudent than the President, Edwin Meese shamelessly insisted that he did not "know of any authoritative figures that [indicates] there are hungry children," while duly noting that "people go to soup kitchens because the food is free and that's easier than paying for it."⁵⁵ Democrats, led by Tip O'Neill, launched an effective assault against these insensitive remarks, readying itself for the next year's election. These politically tactless remarks left Meese weakened and insignificant as an advisor and at the end of the year,

⁵⁴ Michael B. Katz, *The Undeserving Poor: From the War on Poverty to the War on Welfare* (New York: Pantheon Books, 1989), 126.

⁵⁵ *New York Times*, December 15, 1983, B13.

Meese had left the White house for the Department of Justice. Combined with the 1982 departure of Reagan's old friend, Martin Anderson,⁵⁶ the hardliner's descent was almost complete. The White House political director from 1981 to 1985, Ed Rollins observed that, "Every single day Ed Meese was in that White House he lost power or gave up power," while, "Every single day Jim Baker was in that White House he accumulated power – or Dick Darman accumulated power."⁵⁷ Legislative efforts to alter social welfare programs would illustrate this shift in his next term.

The Second Term: Compromise and Reduction

An elevation of cautious, short-term politics over his own revolutionary ideology had become a discernible theme of Reagan's first term as it came to a close. He even adopted this strategy as a platform for his re-election campaign in 1984. Though Richard Darman later complained that Reagan's campaign strategy "managed to bypass conventional substance altogether," Reagan understood the mandate of 1980 was no longer attainable.⁵⁸ Aided by a slight economic recovery in 1983, Reagan garnered 59 percent of the vote and won forty-nine of the fifty states. Reagan responded by issuing a broad reorganization of his cabinet, as Chief of Staff James Baker swapped jobs with Treasury Secretary Donald Regan, Edwin Meese reentered the administration by becoming Attorney General, and Deputy Chief of Staff Mike Deaver resigned. Reagan's "troika" which helped him govern in his first term was gone. Two policy initiatives in his second term, the 1986 Tax Reform Act and the Family Support Act of 1988, clearly

⁵⁶ As a contrast to Meese's departure, Anderson claims he left voluntarily. "I never did enjoy government work," and "I was convinced that 80 to 90 of all policy changes are made during the first year of a new administration." Anderson, *Revolution*, 211.

⁵⁷ Cannon, *President Reagan: Role of a Lifetime*, 152.

⁵⁸ Darman, *Who's in Control?*, 141.

reveal this transition in Reagan's public stance on social welfare and the poor. The President deferred more often to his advisors than he had even in the first term, where Stockman had dominated the administration's economic discourse. Reagan had always relied on and trusted the advice of those he appointed. Even his closest supporters who felt betrayed by the new direction admitted this fact. Edwin Meese would report in his memoir, "Ronald Reagan believed in cabinet government, using this forum as his primary means of obtaining policy advice and information."⁵⁹ Reagan's White House spokesman Larry Speakes confirms this, "At Cabinet and staff meetings the President was usually a listener. He would walk in and say, 'All right, tell me what you think.'"⁶⁰ However, when this leadership style was combined with the recent staff shakeups, Reagan's advice now came almost exclusively from his less dogmatic, more politically sensible aides.

Domestic and economic concerns had been largely absent from much of Reagan's agenda in 1984 and 1985, as international concerns dominated his Presidential responsibilities in these two years. High-ranking CIA agent William Buckley was kidnapped by terrorists in Lebanon, America became involved in the Nicaraguan crisis, a TWA Flight 847 from Athens was hijacked by terrorists, and Reagan initiated a new round of talks with Mikhail Gorbachev. This international involvement consigned welfare reform to the margins of the Oval Office's dialogue, but when Reagan readdressed the plight of the poor and the welfare state's deficiencies in his 1986 State of the Union Address,⁶¹ debate over federal funding of social programs reemerged. Remembering the Democrat's "fairness" critique, Reagan's staff hoped their proposed

⁵⁹ Meese III, *With Reagan*, 34.

⁶⁰ Larry Speakes, *Speaking Out: The Reagan Presidency from Inside the White House* (New York: Scribner, 1988), 304.

⁶¹ See Footnote 28.

1986 tax reform would “erase the cartoon of our party as defender of the rich and privileged.”⁶² Put together by Jim Baker and Richard Darman, the bill, among other things, removed six million low-income workers from income tax liability.⁶³ Further illustrating the ascendancy of the pragmatic politicians in his staff, the bill expanded the controversial EITC program. Essentially a wage subsidy for the working poor, the Earned Income Tax Credit system was vehemently opposed by uncompromising, Reaganite conservatives.⁶⁴ However, with Meese, Anderson, and Stockman relegated to the periphery of Washington’s political circle, this reform bill should not be viewed as a shock.

By the time Don Regan was replaced as Chief of Staff in 1987, due mostly to the fallout of the Iran-Contra affair, Reagan began to understand that a positive political legacy might be contingent on the reforms of his final two years. Unfortunately for Reagan’s legacy, the Iran-Contra affair and the discovery that he had illegally diverted funds to support contra guerrillas in Nicaragua destroyed America’s trust in the President, and as Reagan biographer Lou Cannon claims, “Emotionally, Reagan was at the ebb tide of his presidency.”⁶⁵ With the President’s popularity drastically waning, Senate Republicans, especially the Finance Republicans led by Dole, could no longer align themselves with radical White House initiatives, especially since Democrats had recently regained control of the Senate in 1986. Publicly admitting notions of political compromise within the GOP, it became decidedly fashionable for Republicans to

⁶² Quote from Reagan’s advisor, Mitch Daniels. Howard, *Hidden Welfare State*, 232.

⁶³ Although James Baker was no longer Chief of Staff (he was replaced by Don Regan in 1985), he still wielded considerable clout in fiscal policy by serving in Reagan’s Treasury Department. William Pemberton, *Exit with Honor: The Life and Presidency of Ronald Reagan* (Armonk, NY: M.E. Sharpe, 1997), 145.

⁶⁴ Brownlee, ed., *The Reagan Presidency: Pragmatic Conservatism and Its Legacies*, 217.

⁶⁵ Cannon, *President Reagan: Role of a Lifetime*, 639.

acquiesce to some directives which would have been seen as preposterous to conservative politicians just a few years prior. Furthermore, the *New York Times* then reported the sharpest one-month decline in presidential approval history,⁶⁶ merely confirming the immense impact late 1986 had on Reagan's political standing. Replacing Regan as Chief of Staff was the former Senate Majority leader responsible for guiding several early Reagan initiatives through Congress, Howard Baker. A seasoned politician, cognizant of the prevalence of Congressional compromise, Baker immediately set out to restore positive relations with Congress. Even the great compromiser, Richard Darman, described Baker as "chronically moderate," and the freshly appointed Chief of Staff wasted no time in finding new allies and rebuilding bridges burnt by Regan's pride and incompetence.⁶⁷ One of these new allies would be the chief architect of the Family Support Act of 1988, Senator Daniel Patrick Moynihan (D-NY). With the freshly established support of some unlikely collaborators, Howard Baker planned to appeal to the practical listener inside Reagan.

This side of the President was not as dormant as his critics might suggest. Richard Darman realized by 1983 that "it seemed increasingly clear that, when forced to choose, the President was willing to risk alienating his right flank in order to strengthen his political viability in the broad American middle. He would sacrifice the purity of his ideology for the practical necessities of governance."⁶⁸ Another of his closest associates, David Stockman, noticed the same characteristic. "[Reagan] was a consensus politician, not an ideologue," Stockman conceded, "He had no business trying to make a revolution

⁶⁶ Presidential popularity dropped from 70 percent to 46 percent. Cannon, *President Reagan: Role of a Lifetime*, 639 and 608.

⁶⁷ Darman, *Who's in Control?*, 183.

⁶⁸ *Ibid.*, 115.

because it wasn't in his bones."⁶⁹ Baker merely needed to bring this latent personality trait of Reagan's into the political forefront. The Chief of Staff was eventually successful and the result was the President's approval of Moynihan's bill. Against the advice of his welfare specialists,⁷⁰ Reagan signed a measure loaded with concessions to the poor, including a 10 percent increase in AFDC and welfare expenditure totaling roughly \$3.3 billion dollars (CBO figures). This increase in federal welfare investment virtually undid his 1981 reforms, and the approved benefits could even be seen as retroactively compensating those who had lost them earlier. Grudgingly admitting ideological defeat in his memoir, the loyal Reaganite Martin Anderson confesses, "It is commonly believed that federal spending on social welfare programs was slashed during the presidency of Ronald Reagan. It is not true. Spending on social welfare programs increased surely and steadily."⁷¹ Reagan's 1980 election seemed a distant memory, as did the initial welfare cuts. In place of the 1981 cuts stood a welfare state quite antithetical to his ideological background.

Lessons: Reagan & the Realities of the American Political System

The federal budget process was the main conduit through which the Reagan administration attempted to convert its philosophical beliefs into public policy. This process meant that Reagan would force Congress to adhere to a centralized, top-down approach to federal budgeting. Led by David Stockman, the intrepid OMB chairman, the 1981 fiscal year produced Reagan's most successful implementation of this strategy.

⁶⁹ Stockman, *The Triumph of Politics*, 9.

⁷⁰ Throughout 1987 and much of 1988, Reagan's welfare team argued that "no bill at all would be preferable to Moynihan's cunningly expansive measure." Brownlee, ed., *The Reagan Presidency: Pragmatic Conservatism and Its Legacies*, 223.

⁷¹ Anderson, *Revolution*, 177.

However, the economic downturn and the return to “normal politics” in late 1982 marked a shift toward more practical policymaking. After 1981, Reagan and his advisors had much less success in cutting domestic spending and limiting the growth of entitlement programs through this process.⁷² This Reagan budgetary experience with domestic spending suggests that any President who attempts similar measures will likely encounter a number of barriers. Richard Darman, Jim Baker, and Howard Baker all detected this more swiftly than others, and their political careers prospered under these circumstances. Criticizing the naivety of some members in Reagan’s cabinet, Darman claimed, “[Stockman] and many others regretted the limits that the system imposed upon their ability to effect change.”⁷³ After the residue of 1981 had worn off, Reagan correctly allowed the majority of his domestic advice to resonate from these members. Succinctly put in his book, *The Triumph of Politics* (the title alone implies that political pragmatism maintains a substantial presence in the governmental process), Stockman shamefacedly admits, “The true Reagan Revolution never had a chance. It defied all of the overwhelming forces, interests, and impulses of American democracy. Our Madisonian government of checks and balances, three branches, two legislative houses, and infinitely splintered power is conservative, not radical.”⁷⁴ Moreover, much of the federal budget is composed of entitlement programs that remain entrenched in treacherous political territory. Social welfare continues to hold a relatively prominent role in federal spending, despite constant attacks and criticism.

⁷² Craig A. Rimmerman, *Presidency by Plebiscite: The Reagan-Bush Era in Institutional Perspective* (Boulder, CO: Westview Press, 1993), 74.

⁷³ Darman, *Who’s in Control?*, 183.

⁷⁴ Stockman, *The Triumph of Politics*, 9.

The landslide election of 1980, in which Republicans won control of the Senate and Reagan demolished Carter, insidiously crafted a policymaking illusion. This early success allowed Reagan to hold on to his ideological stance longer than it was politically realistic, but he soon discovered ideological compromise was a necessary prerequisite to real policy change. As Martin Anderson wrote, “A president may be able to influence spending up in some areas and down in others, but ultimately he must get congressional approval for every nickel.”⁷⁵ Almost exclusively, that Congressional approval comes at a cost: ideological abandonment. By committing himself to incremental change and modest victories, Reagan wisely succumbed to the American system of government. Darman confirmed that this submission took place, reporting that, “The Reagan experience was less a revolution than an affirmation of the power of the American political system... From this perspective, the answer to the who’s-in-control question came to seem compellingly clear. In some important sense, the system was ‘in control’.”⁷⁶ Yet Reagan should not be viewed as totally subordinate to this reality. He dominated political discourse and allowed his party to dictate some policy directives, meaning his political legacy could carry on into the following decades.

⁷⁵ Anderson, *Revolution*, 177.

⁷⁶ Darman, *Who’s in Control?*, 183

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